

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20214
[Redacted],)	
)	DECISION
Petitioner.)	
_____)	

On March 21, 2007, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable years 1998 through 2005 in the total amount of \$161,838.

The taxpayer filed a timely protest. He did not submit additional information or request an informal conference. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

When the Bureau could find no record of the taxpayer's 1998 through 2005 Idaho individual income tax returns, the taxpayer was sent a letter advising him of the missing returns and asking him for an explanation. The taxpayer did not respond.

[Redacted].

Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency --
Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer

may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

Because the taxpayer did not file his state income tax returns, the Bureau prepared provisional returns and issued a deficiency notice. The taxpayer answered the NODD with a letter of protest stating he had retained the services of an accountant. He said the Idaho returns for tax years 1998 and 1999 were ready to file. He said he would submit the balance of the missing returns as they are completed.

The Bureau sent the taxpayer a letter acknowledging his protest. The taxpayer was asked to submit the two completed returns within 30 days. When the Bureau did not receive the returns or any other information within the 30-day period, the taxpayer's file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. In response to a letter advising him of his appeal rights, the taxpayer requested a conference.

The taxpayer delivered his 1998 and 1999 Idaho individual income tax returns to the Tax Commission when he arrived for the informal conference on September 13, 2007. At that time, the taxpayer explained the circumstance in his life that resulted in his income tax returns not being filed as required by law. He could not promise when the balance of the returns would be ready for filing. On September 22, 2007, the taxpayer telephoned to say he would have the returns filed within two weeks. The taxpayer has not contacted the Tax Commission since that telephone call and has submitted no returns or additional information.

[Redacted]. The Tax Commission's information shows the taxpayer had an active sales/use tax permit and a withholding permit [Redacted] during all or a portion of the periods in question. Sales/use tax reports submitted by the taxpayer were used to estimate each year's income. Credit was allowed for payroll when the payroll information was available.

The 1998 and 1999 Idaho individual income tax returns the taxpayer submitted on September 13, 2007, appear to better represent the taxpayer's Idaho income tax responsibility than the returns prepared by the Bureau. Therefore, the Tax Commission accepts the returns as filed subject to review at a later date as provided in Idaho Code.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of his argument, the taxpayer has failed to meet his burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayer has provided nothing that would dissuade the Tax Commission from accepting the Bureau's determination of Idaho income and Idaho income tax due for tax years 2000 through 2004. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated March 21, 2007, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty,
and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1998	\$ 948	\$ 237	\$ 556	\$ 1,741
1999	942	236	483	1,661
2000	49,327	12,332	21,364	83,023
2001	19,595	4,899	6,976	31,470
2002	19,809	4,952	5,780	30,541
2003	6,916	1,729	1,652	10,297
2004	2,652	663	474	3,789
2005	1,296	324	154	1,774
			TOTAL DUE	\$164,296

Interest is computed through January 31, 2007.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayer's right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2008.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this ____ day of _____, 2008, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]
[Redacted]
[Redacted]

Receipt No.